
Introduced by Senator Chesbro

February 22, 2005

An act to amend Section 14556.50 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 792, as introduced, Chesbro. North Coast Railroad Authority.

Existing law creates the North Coast Railroad Authority to own and operate the former Northwestern Pacific Railroad between Napa and Humboldt Counties. Existing law, pursuant to the Transportation Congestion Relief Program (TCRP), designates \$60 million in TCRP funds for projects to repair and upgrade tracks to Class II standards. Existing law imposes various requirements on the allocation of these funds, with \$5.5 million reserved to fund repayment of the authority's federal loan obligation.

This bill would revise these provisions to allow reallocation of the \$5.5 million reserved for loan repayment to other authority purposes if federal legislation is enacted that forgives repayment of a \$12 million federal loan to the authority.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The North Coast Railroad Authority (NCRA) seeks state
- 4 funding for the following activities:
- 5 (1) NCRA is responsible for 316 miles of right-of-way from
- 6 Lombard in Napa County to Samoa in Humboldt County. Until

1 the railroad is fully operational, NCRA is responsible for
2 emergency maintenance issues such as strengthening of levees,
3 repair of bridges, repair of culverts and flood-related damage,
4 vegetation and weed abatement that may present a fire hazard,
5 and general cleanup of debris along the right-of-way that runs
6 through several north coast cities. NCRA must also maintain and
7 manage over 100 private crossings involving easements, leases,
8 and other private encroachments on NCRA property.

9 (2) In 1999, the Mendocino Superior Court ordered NCRA to
10 cleanup nine rail yards between Eureka in Humboldt County and
11 Hopland in Mendocino County. NCRA is charged with the
12 responsibility of managing this cleanup which is partially
13 complete. The surface cleanup of scrap metal, railroad ties,
14 abandoned vehicles, steel drums, and hazardous waste was
15 complete in September 2004. In 2005, NCRA is to initiate and
16 manage the subsurface cleanup of all nine sites.

17 (3) Capital funding is needed to repair track, bridges, crossing
18 signals, culverts, and bank stabilization. NCRA must secure and
19 manage the capital grants necessary to make the needed repairs.
20 Once repairs are made and the Federal Railroad Administration
21 lifts Emergency Order 21, NCRA will be well-placed to secure
22 an operator.

23 (4) Pending capital grants approved for NCRA include seven
24 million nine hundred thousand dollars (\$7,900,000) from FEMA,
25 eight million nine hundred thousand dollars (\$8,900,000) from
26 ISTE, and forty-two million dollars (\$42,000,000) from the
27 TCRP. NCRA estimates an annual need of an additional five
28 hundred thousand dollars (\$500,000) to adequately address the
29 above-referenced objectives.

30 (5) NCRA could utilize five hundred thousand dollars
31 (\$500,000) in the 2005-06 fiscal year, with additional sums to be
32 held in an interest-bearing account in the Sonoma County
33 Auditors Office. All expenditures from this account would be
34 subject to annual single-year audits in accordance with
35 government accounting standards.

36 (6) Federal legislation is under consideration by Congress that
37 would forgive twelve million dollars (\$12,000,000) in federal
38 loans to NCRA, and enactment of this legislation would allow
39 the reallocation of state TCRP funds dedicated to federal loan
40 repayment.

(b) It is the intent of the Legislature to provide the necessary funding to facilitate the accomplishment of these objectives by authorizing reallocation of existing funding commitments to NCRA.

SEC. 2. Section 14556.50 of the Government Code is amended to read:

14556.50. The grant authorized under paragraph (32) of subdivision (a) of Section 14556.40 shall be allocated as follows:

(a) (1) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the North Coast Railroad Authority, allocated directly to the authority as directed by the commission at its first scheduled meeting immediately upon enactment of the Budget Act of 2000.

(2) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the authority, allocated directly to the authority as directed by the commission within six months from the date of enactment of the Budget Act of 2000.

(3) Five hundred thousand dollars (\$500,000) to defray the administrative costs of the authority, allocated to the authority as directed by the commission, within one year from the date of enactment of the Budget Act of 2000, if the commission determines that additional funding is needed by the authority as directed by the commission at its first scheduled meeting for administrative costs.

(b) Six hundred thousand dollars (\$600,000) to fund completion of the authority's rail line from Lombard to Willits, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(c) One million dollars (\$1,000,000) to fund completion of the authority's rail line from Willits to Arcata, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(d) Five million dollars (\$5,000,000) to fund the upgrade of the authority's rail line to Class II or III status, allocated to the authority as directed by the commission.

(e) Four million one hundred thousand dollars (\$4,100,000) for environmental remediation projects, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

1 (f) Ten million dollars (\$10,000,000) for the authority's debt
2 reduction, allocated to the authority as directed by the
3 commission, within six months from the date of enactment of the
4 Budget Act of 2000.

5 (g) One million eight hundred thousand dollars (\$1,800,000)
6 for use by the authority as local match funds, allocated to the
7 authority as directed by the commission.

8 (h) Five million five hundred thousand dollars (\$5,500,000) to
9 fund repayment of the authority's federal loan obligations,
10 allocated to the authority as directed by the commission.
11 *However, if federal legislation is enacted that directs the Federal*
12 *Highway Administration (FHWA) to forgive repayment of a loan*
13 *from FHWA to the authority in the amount of twelve million*
14 *dollars (\$12,000,000), three million five hundred thousand*
15 *dollars (\$3,500,000) of the amount to be allocated under this*
16 *subdivision shall instead be allocated to the authority to fund the*
17 *remainder of the authority's cleanup obligations under the*
18 *environmental remediation consent decree, and the remainder*
19 *shall be allocated to the authority for its administrative*
20 *responsibilities.*

21 (i) Thirty-one million dollars (\$31,000,000) for long-term
22 stabilization projects, allocated to the authority as directed by the
23 commission.